

2024.06

Consolidated Financial Results Q1 FYE 3/2025

August 1, 2024

TSE Code: 8002

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01 Key Factors of Q1 FYE 3/2025

- Net profit was **¥142.6bn (+¥1.3bn YOY)** Progress to the FYE 3/2025 full-year forecast is **30%**
- Adjusted net profit was **¥133.0bn (-¥1.0bn YOY)** Progress likewise is **29%**
- Steady progress towards the full-year forecast in both net profit and adjusted net profit

Breakdown of adjusted net profit:

- Non-resources ¥94.0bn (+¥3.0bn YOY): Increased in *Finance, Leasing & Real Estate Business, Forest Products, Aerospace & Ship*, etc.
Decreased in *Food I & II, Construction, Industrial Machinery & Mobility*
- Resources ¥34.0bn (-¥4.0bn YOY): Decreased in the coking coal business, energy trading business and others

- Core operating cash flow was **+¥184.7bn (+¥42.9bn YOY)** Progress likewise is **32%**

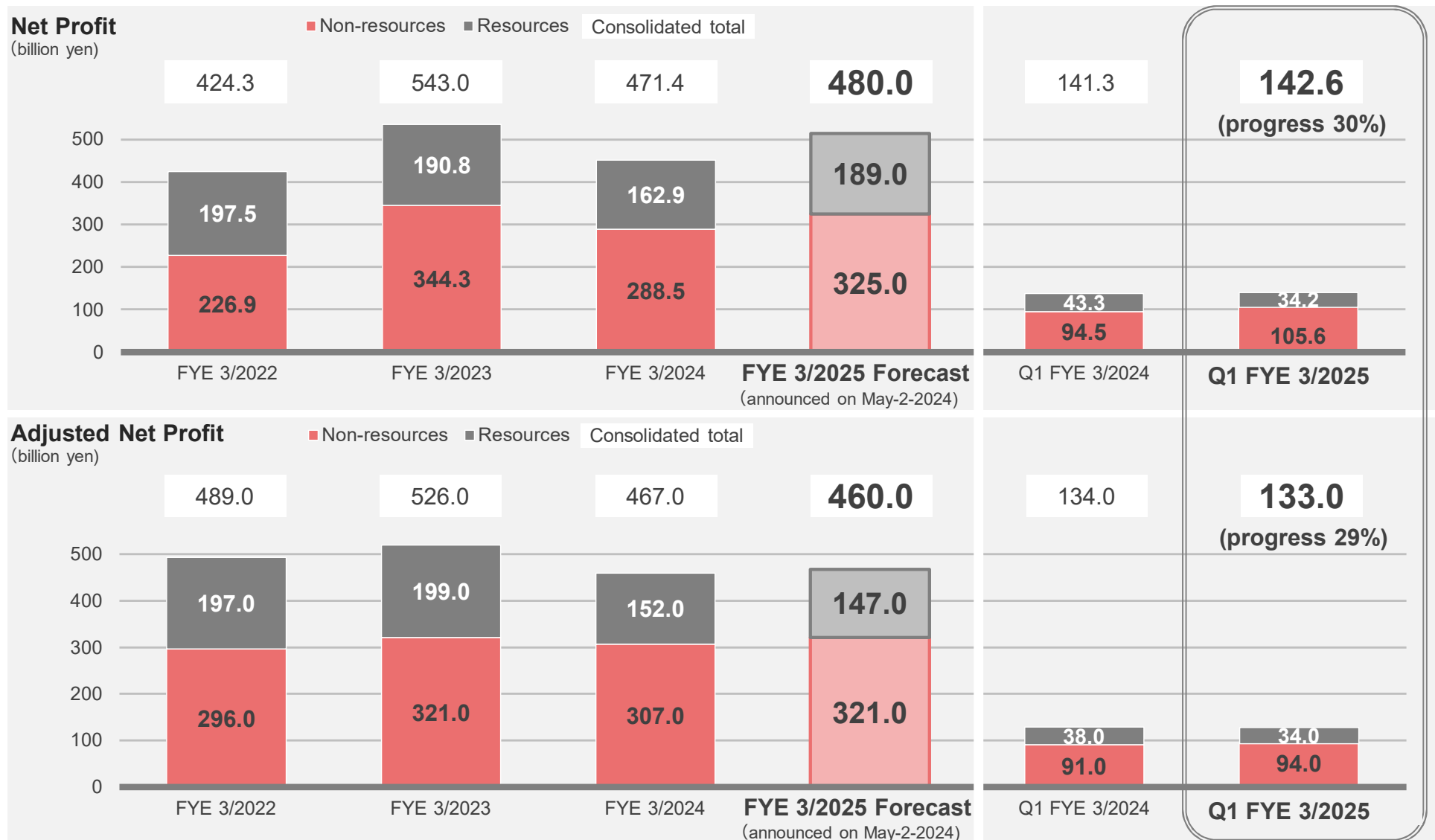
(billion yen)	Q1 FYE 3/2024	Q1 FYE 3/2025	Change	FYE 3/2025 Forecast (announced on May-2-2024)
Net profit	141.3	142.6	+1.3	480.0
Adjusted net profit	134.0	133.0	-1.0	460.0
Core operating cash flow	+141.8	+184.7	+42.9	+570.0
Free cash flow after shareholder distributions (excluding changes in working capital and others)	-67.5	-184.6	-117.2	-140.0
	Mar-31-2024	Jun-30-2024	Change	Mar-31-2025 Forecast
Net DE ratio	0.55 times	0.56 times	+0.01 point	approx. 0.6~0.7 times

* Adjusted net profit: net profit excluding one-time items, shown in an approximate figure. For one-time items, please refer to P3 of "IR Supplementary Information"

* Core operating cash flow: operating cash flow excluding net increase/decrease in working capital and others

* "Equity attributable to owners of the parent" is described as "shareholders' equity" in this material

02 Net Profit and Adjusted Net Profit



* Resources: Total of "Energy" and "Metals & Mineral Resources" excluding "Steel Products Dept."
 Other: Total of "Next Generation Business Development", "Next Generation Corporate Development" and "Other"
 Non-resources: Other than the above

(billion yen)	FYE 3/2022	FYE 3/2023	FYE 3/2024	FYE 3/2025 Forecast announced on May-2-2024	FYE 3/2024 Q1	FYE 3/2025 Q1
Net profit	-0.0	7.9	20.0	-34.0	3.5	2.8
Adjusted net profit	-4.0	6.0	8.0	-8.0	5.0	5.0

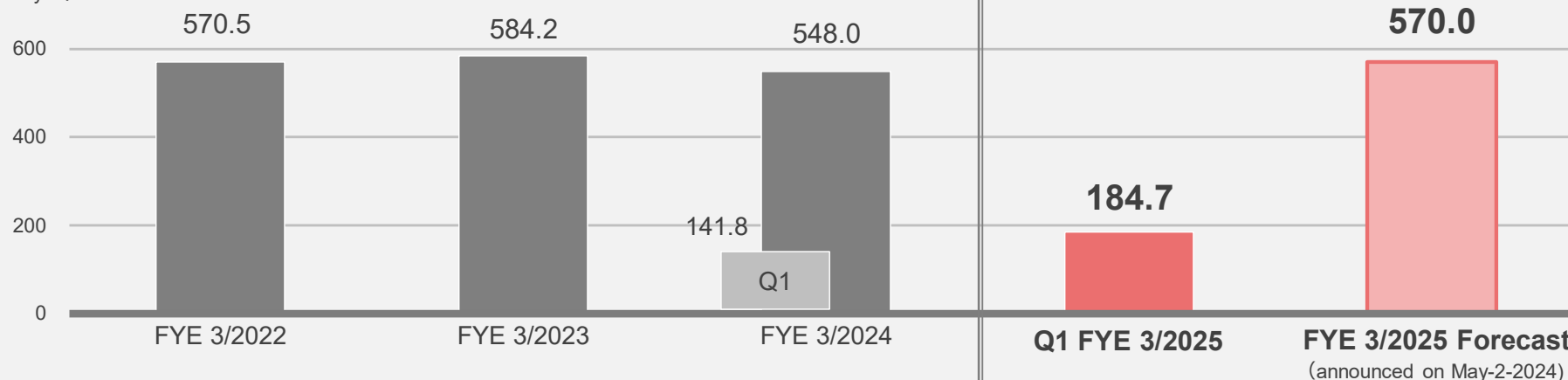
03 Profit by Segment Q1 FYE 3/2024 vs Q1 FYE 3/2025



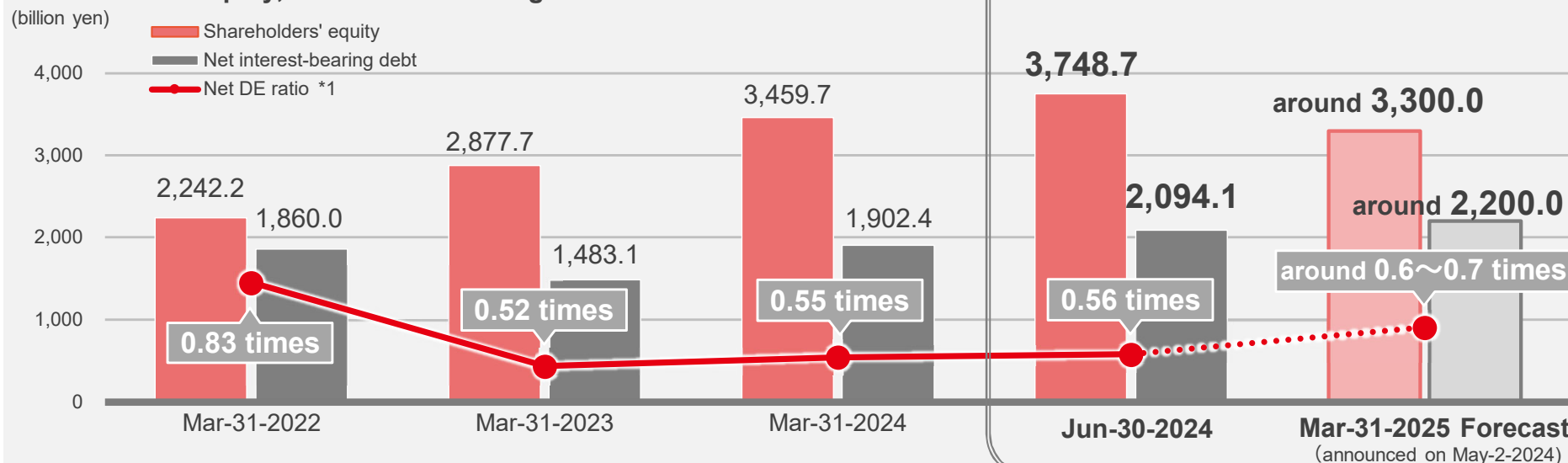
* Based on the FYE 3/2025 segments. Operating segment information for FYE 3/2024 has been restated due to organizational changes. Please refer to P2 of "IR Supplementary Information" for the details

04 Cash Flow Generation/Shareholders' Equity/Net Interest-Bearing Debt

Core Operating Cash Flow
(billion yen)



Shareholders' Equity, Net Interest-Bearing Debt and Net DE Ratio



*1 For FYE 3/2023 and beyond, the denominator to calculate net DE ratio has been changed from "total equity" to "shareholders' equity." Net DE ratio for Mar-31-2022 has been re-presented accordingly

05 Capital Allocation Q1 FYE 3/2025 Actual

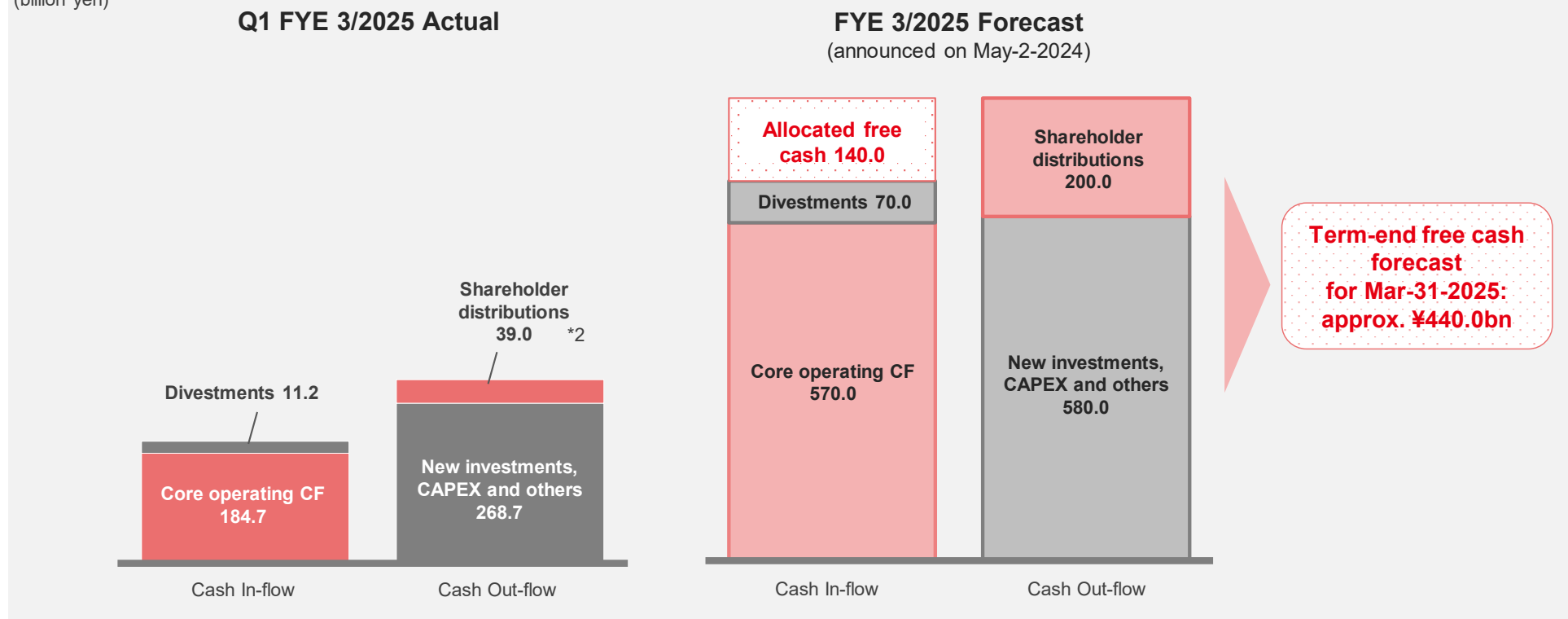
- In FYE 3/2025, we will continue to focus on growth investments for profit growth and enhancing shareholder returns, while emphasizing financial and investment discipline. A ¥140.0bn of free cash, the surplus from accumulated management resources, is planned to be allocated to:

① **growth investments for profit growth (new investments, CAPEX and others)** ② **shareholder returns**

- A total of ¥268.7bn of *new investments, CAPEX and others* has been executed in Q1 FYE 3/2025, marking good progress
- Core operating CF was ¥184.7bn (Progress ratio: 32%). We aim to increase cash in-flow (core operating CF, divestments)

Capital Allocation *1

(billion yen)



*1 Excluding changes in working capital and others. Figures for shareholder distributions are aggregated in the fiscal year to which the profit i.e. the source of funds is attributed, and are different from cash flow

*2 Amount as of Jun-30-2024, out of the total ¥50.0bn share buyback completed in July 2024.

06 New Investments and Divestments Main Items for Q1 FYE 3/2025

(billion yen)	*1				Q1 FYE 3/2025 Main items	FYE 3/2025 Forecast (announced on May-2-2024)
	Q1 FYE 3/2025		Horizon 1	Horizon 2	Horizon 3	
New Investments + CAPEX and others *2	- 268.7		- 95.4	- 152.7	- 20.7	- 580.0
Distribution Business	- 169.5	- 63.1		- 42.9	- 20.2	- 400.0
New Invest- ments Finance Business		- 93.4		- 93.0	- 0.4	
Stable Earnings- Type Business		- 5.4		- 5.4	-	
Natural Resource Investments		- 7.6		- 7.6	-	
excluding CAPEX and others	- 99.1	- 95.4	- 95.4			- 180.0
Natural Resource Investments		- 3.8	- 0.0	- 3.8		
Divestments	+11.2					+70.0
Total	- 257.5					- 510.0

*1 Horizon 1: improvement of existing businesses, Horizon 2: pursuit of strategies in existing business domains, Horizon 3: new business models and growth domains currently not yet focused on

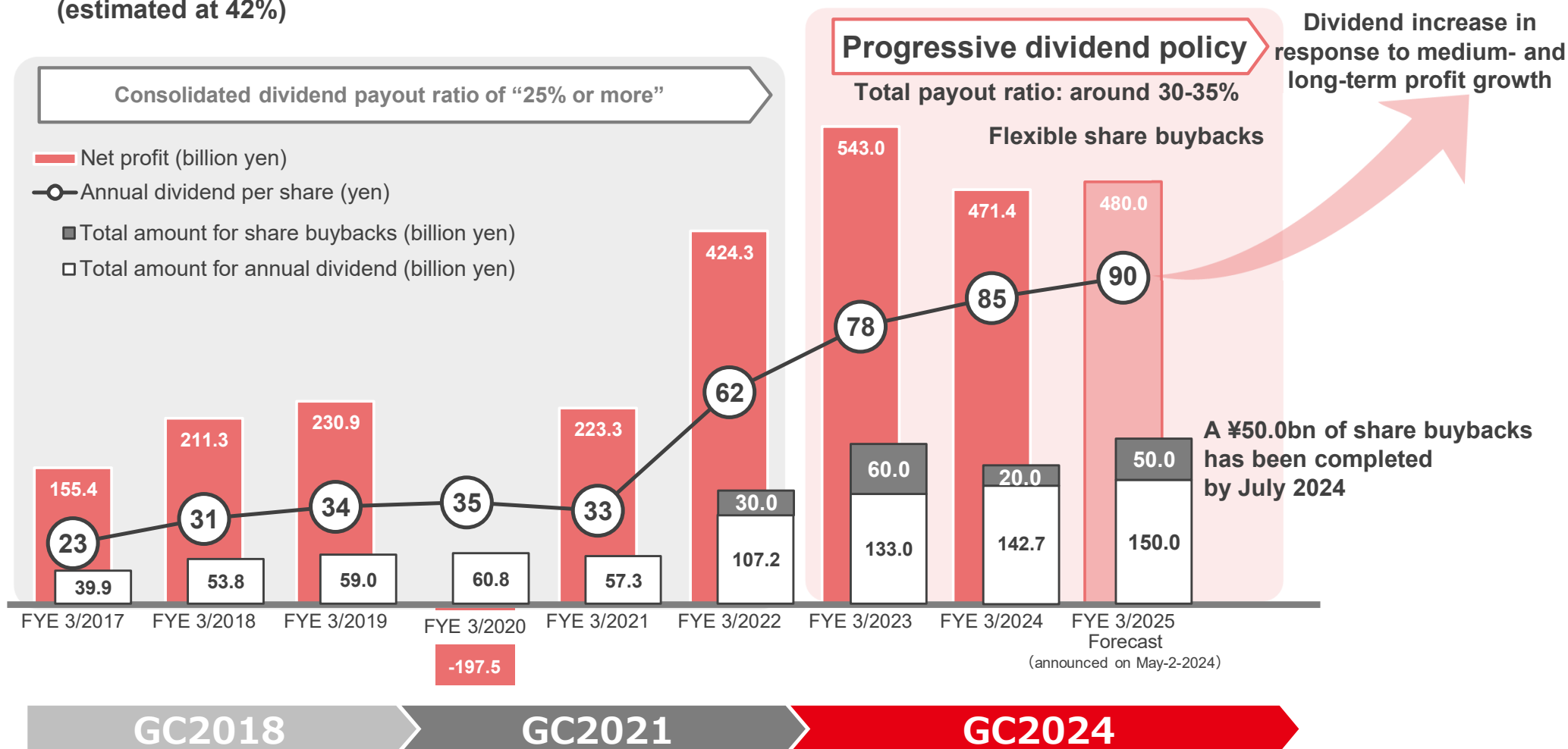
*2 CAPEX and others: additional capital expenditure and others in order to maintain and improve values of existing investments and loans

*3 Including approximately ¥51.0bn of short-term agriculture loan which Helena (USA) provided to customers

07 Shareholder Returns

- Annual dividend per share for FYE 3/2025 is forecast to be **¥90** based on the strengthened earnings base
- For FYE 3/2025, a **¥50.0bn of share buybacks** has been conducted using free cash which is the surplus from accumulated management resources.

As the buybacks have been funded by free cash, total payout ratio is expected to exceed the range of around 30-35% **(estimated at 42%)**



08 Markets and Commodity Volumes

Markets		FYE 3/2024 Q1	FYE 3/2025 Q1	Change	FYE 3/2025 Full-year Assumption (announced on May-2-2024)	Sensitivity to *3 Net Profit
Oil	WTI (USD/bbl)	74	81	+ 7	75	approx. JPY0.4bn/[USD1/bbl]*4
Copper	LME (USD/ton) *1	8,627	9,428	+ 801	8,650	approx. JPY1.4bn/[USD100/ton]
Interest Rate	JPY TIBOR 3 months (%)	0.07	0.27	+ 0.20	0.2	
	USD SOFR 3 months (%)	5.13	5.33	+ 0.20	4.5	
Currency	USD/JPY Term Average (yen)	137.37	155.88	JPY depreciation by 18.51yen	140	approx. JPY1.6bn/[JPY1/USD]
	USD/JPY Term-end (yen)	Mar-31-2024 151.41	Jun-30-2024 161.07	JPY depreciation by 9.66yen	Mar-31-2025 135	
Commodity Volumes		FYE 3/2024 Q1	FYE 3/2025 Q1	Change	FYE 3/2024 Full-year	FYE 3/2025 Initial Plan (announced on May-2-2024)
Oil, Gas	Equity Production Volume (K boe/day) *2	11	14	+ 3	11	13
Copper	Equity Sales Volume (K ton)	30	30	0	123	
Coking Coal	Equity Sales Volume (K ton)	1,510	1,511	+ 1	6,141	

*1 March-to-May average for Q1, March-to-February average for full-year

*2 Total of oil and gas E&P at Gulf of Mexico (USA), US onshore (USA), and Indian Sea

*3 Sensitivity to the initial full-year forecast for FYE 3/2025 announced on May-2-2024

*4 Sensitivity to oil prices (WTI and Brent) in Oil and Gas E&P

Ref. Fleet Management Business in the U.S., Wheels



(Finance, Leasing & Real Estate Business Div./Construction, Industrial Machinery & Mobility Div.)

Investment Outline

- Marubeni has invested in Wheels, one of the largest fleet management companies in the U.S., owned by Apollo, an American leading asset management company.
- This investment was made through a joint venture established with Lithia & Driveway (Lithia), one of the largest global automotive dealer groups with which we have a strategic alliance in the mobility business domain.

Company name	Wheels Inc.
Headquarters	Chicago, Illinois, U.S.
Business	Fleet management
Ownership	Marubeni 20.0%, Lithia 7.2% Apollo and LP investors 72.8%

Wheels' Business / Marubeni's Strategy

- Wheels manages and leases vehicles essential for business activities, primarily large pickup trucks and vans, in compliance with different laws, regulations, and business practices across all 50 states of the U.S.
- Wheels creates value by solving issues and streamlining client fleets and operations, and lowering total cost of ownership.
- Focusing on investing in IT systems and pioneering EV transition, Wheels strives to realize a sustainable mobility society.
- Apollo identifies companies like Wheels as origination platforms that consistently generate investment-grade, risk-adjusted excess returns, and is focusing on expanding its private credit (lending) business.
- Marubeni aligns with Apollo's business strategy and, through this investment, aims to expand existing operations and participate in related businesses in the U.S., the world's largest automotive market. We strive to further strengthen our U.S. mobility business and maximize revenue opportunities.

Wheels' Business Scale

Approx. **1,000,000** vehicles
under management

Leased assets of more than **\$9 billion**

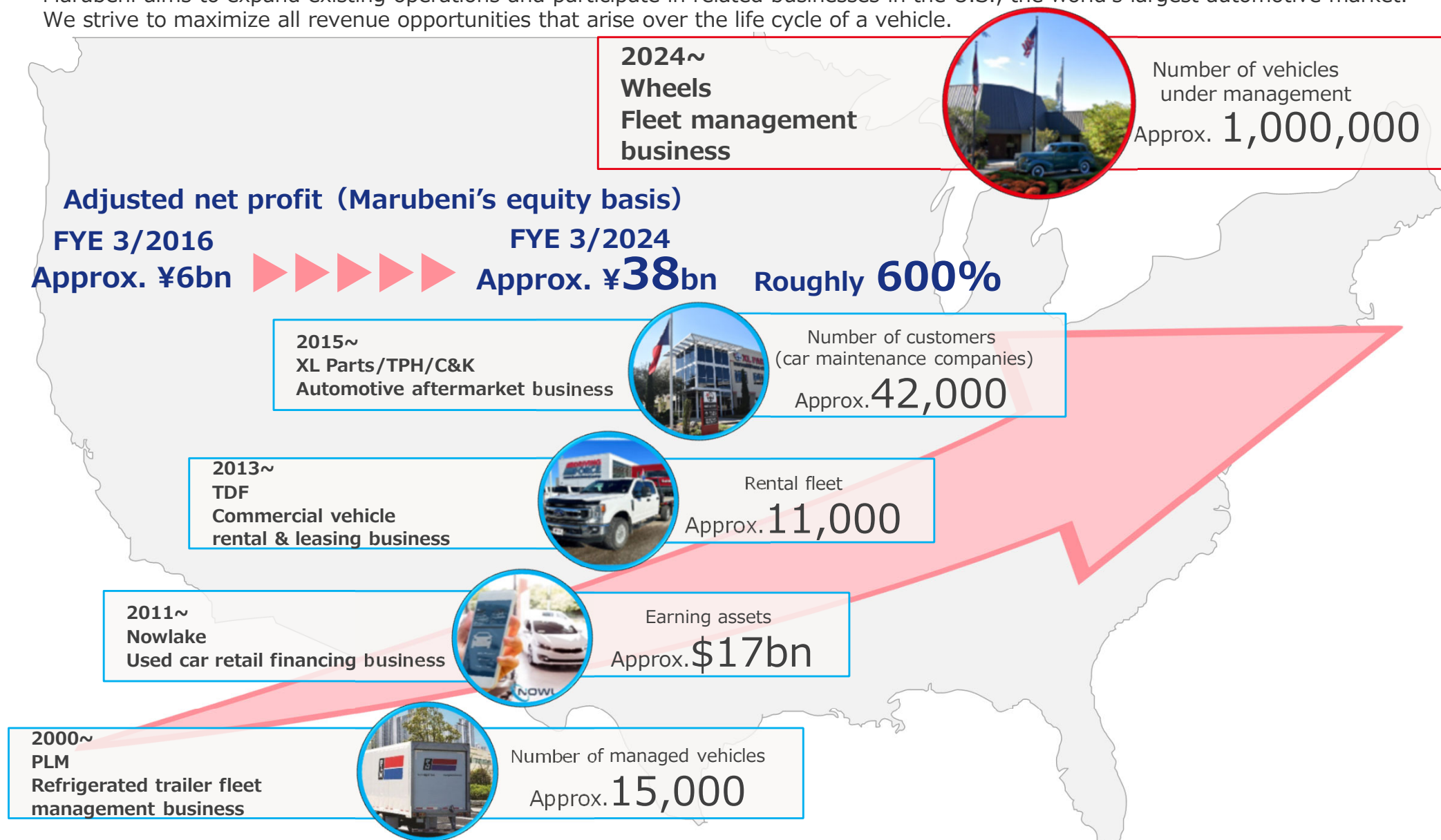
More than **2,000** excellent clients

Vehicle Life Cycle Management by Wheels



Ref. Mobility Business in the U.S.

Marubeni aims to expand existing operations and participate in related businesses in the U.S., the world's largest automotive market. We strive to maximize all revenue opportunities that arise over the life cycle of a vehicle.



Ref. Capital and Business Alliance with Mizuho Leasing **MIZUHO** Mizuho Leasing

(Finance, Leasing & Real Estate Business Div.)

Company Outline

Company name	Mizuho Leasing Company, Limited
Business	General leasing
Operating assets (As of March 31, 2024)	2,858.9 billion yen • Domestic leasing 50% • Real estate/Environment and Energy 36% • Overseas/Aircraft 8% • Finance/Investment 6%
Major shareholders	• Marubeni 20.0% (After the additional acquisition) • Mizuho Financial Group 23.7% (As of March 31, 2024)

Aim of the Capital and Business Alliance

- Further develop the collaboration with Mizuho Leasing to create a new business model and enhance the earnings base toward the pursuit of a multi-layered approach for strengthening the finance and leasing domain, which Marubeni considers to be a growth area.
- Further improve the corporate value of the two companies, collaboration in a wide range of areas will be discussed without geographical or business sector limitations, through active personnel exchange and establishing sales alliance structures at the company-wide level.



Left: Aircastle Ltd (We jointly acquired the company's stakes in March 2020)

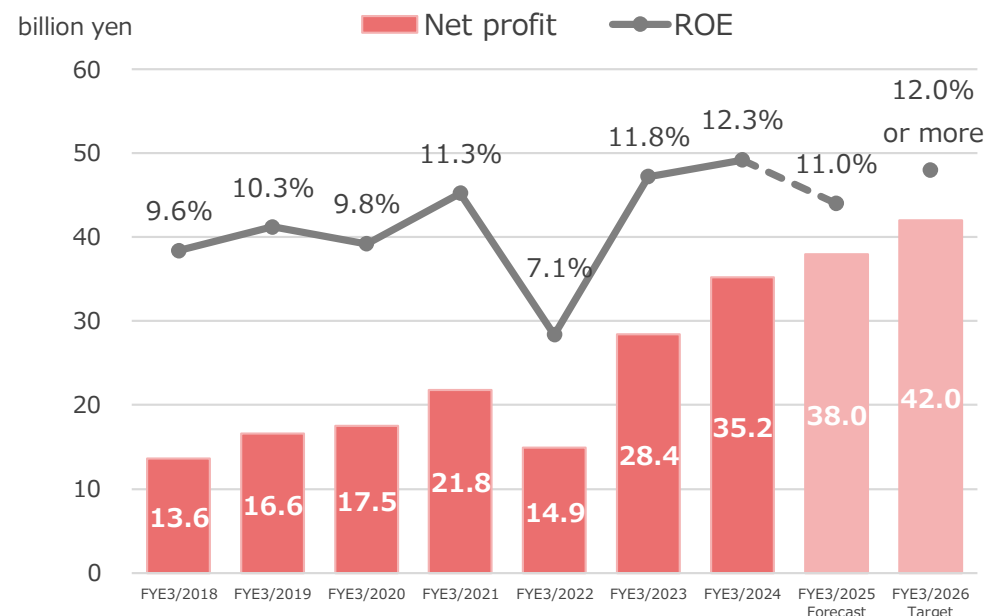


Right: The world's first zero-emission EV tanker, "Asahi"

Collaboration history of Marubeni and Mizuho Leasing

- March 2019** Formation of Mizuho Marubeni Leasing Corporation as a joint venture
- March 2020** Joint acquisition of equity stakes in Aircastle Ltd
Transformed PLM Fleet, LLC into a joint venture
- January 2022** Transformed Affordable Car Leasing Pty Ltd into a joint venture
- May 2024** **Enhancement of the Capital and Business Alliance**
 - To strengthen our capital and business alliance, Marubeni increased its equity stakes in Mizuho Leasing from 4.4% to 20.0% to make the company an equity method affiliate
 - Aim to accelerate the growth of both companies by promoting company-wide business collaboration

Net Profit and ROE of Mizuho Leasing



*Based on IR materials of Mizuho Leasing

*The figures for FYE3/2026 are the target under the "Medium-Term Management Plan 2025" of Mizuho Leasing

Ref. Processing and Marketing of Edible Specialty Fats and Oils in the U.S., Gemsa Enterprises (Food I Div.)



Business Overview

Processing and marketing of edible specialty fats and oils*¹ with the No. 1 sales in the U.S. West Coast area

Company name	Gemsa Enterprises, LLC
Headquarters	California, U.S.
Business	Processing and marketing of edible specialty fats and oils
Ownership	Marubeni approx.100%
Sales volume	Approx. JPY 25 bn (FY 2023)

*¹ Fats and oils high in healthy fatty acids, such as olive oil and avocado oil, or those with specific characteristics such as organic or non-GMO

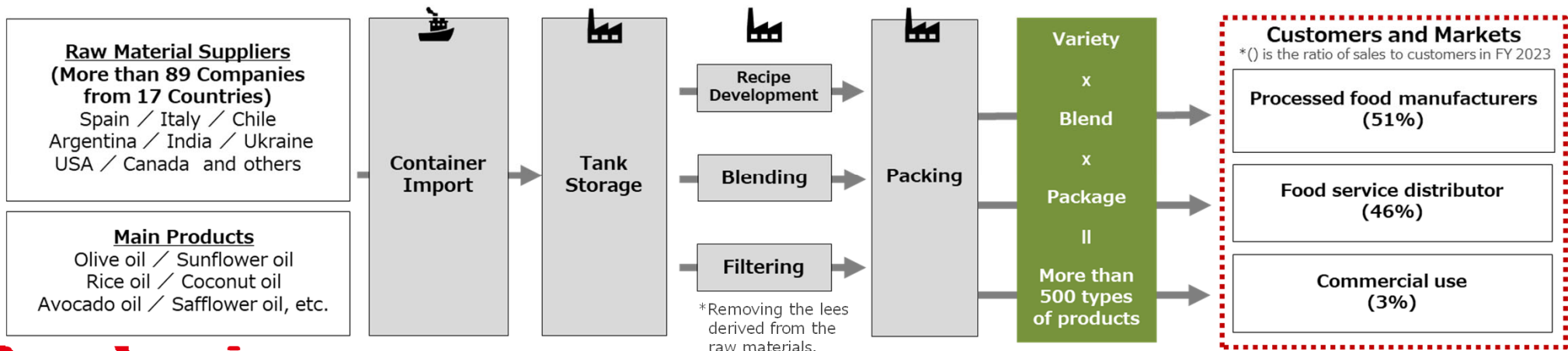
Business Strategy

- In the U.S., the world's largest fats and oils market, demand for specialty fats and oils is growing, especially with recent improvements in living standards, increased interest in health and wellness, and sustainability awareness. **The specialty fats and oils market is growing at a CAGR of 5.6%**, significantly higher than the 4% growth rate of the overall fats and oils market*².
- Combine Gemsa's established competitive advantage in the U.S. market with Marubeni's experiences and network in the specialty fats and oils trade.
- Aim to maximize business value **by using Gemsa as a platform to target roll-up acquisitions of industry peers.**

*² Estimated by Euromonitor International Ltd

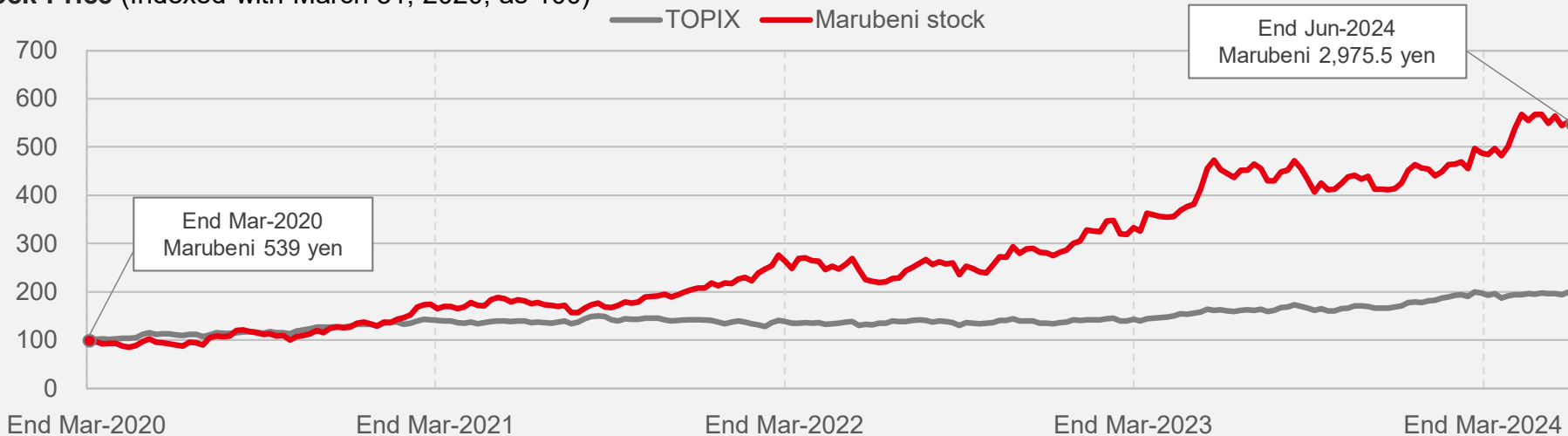
Business Model and Competitive Advantages

- Gemsa blends multiple fats and oils based on recipes developed in-house in response to customer requests, and supplies products **at the right time, in the right quantity, and with high frequency** to meet customers' procurement demand.
- The source of Gemsa's competitive advantage is the **combination of its extensive raw material procurement capabilities from more than 89 companies in 17 countries and its ability to develop recipes** for blending multiple fats and oils.
- Procurement and product development capabilities are **highly valued by its customers** and contributes to stable business with major clients.
- Through facility expansion, Gemsa's sales have recently expanded **at a faster pace than the growth rate** of the U.S. specialty fats and oils market.



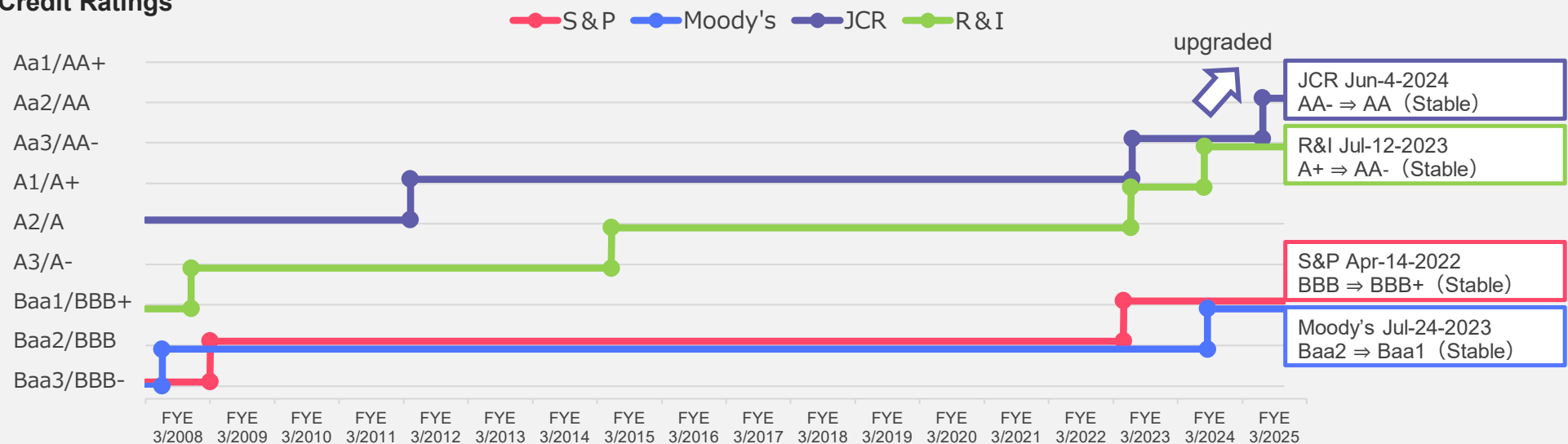
Ref. Stock Price and Credit Ratings

Stock Price (Indexed with March 31, 2020, as 100)



- JCR upgraded Marubeni on Jun-4-2024 (from AA- to AA)

Credit Ratings





Global crossvalue platform
Marubeni